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T.R.A. DOCKET ROOM
March 11, 2004

Guy M. Hicks
General Counsel

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VIA HAND DELIVERY

Hon. Deborah Taylor Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Implementation of the Federal Communications Commission's
Triennial Review Order (Nine-month Proceeding)(Switching)*
Docket No. 03-00491

Dear Chairman Tate.

Enclosed are the original and fourteen copies of the *Supplemental Direct Testimony of James W. Stegeman* on behalf of BellSouth. Exhibit JWS-6 contains proprietary information and is being submitted under separate cover subject to the terms of the Proprietary Order. Copies of the enclosed are being provided to counsel of record.

Very truly yours,

Guy M. Hicks

A large, stylized handwritten signature in black ink that loops around the typed name "Guy M. Hicks".

GMH.ch

1 **SUPPLEMENTAL DIRECT TESTIMONY OF JAMES W. STEGEMAN**
2 **ON BEHALF OF BELL SOUTH TELECOMMUNICATIONS, INC.**
3 **BEFORE THE TENNESSEE REGULATORY AUTHORITY**
4 **DOCKET NUMBER 03-00491**
5 **MARCH 11, 2004 .**
6
7

8 **Q. PLEASE STATE YOUR NAME AND BUSINESS AFFILIATION.**
9

10 A. My name is James W. Stegeman. I am the President of CostQuest Associates, Inc. I am
11 testifying on behalf of BellSouth Telecommunications ("BellSouth", "BST" or the
12 "Company").
13

14 **Q. ARE YOU THE SAME JAMES W. STEGEMAN THAT FILED DIRECT**
15 **TESTIMONY IN THIS PROCEEDING?**
16

17 A. Yes. In my direct testimony I described the BACE model used for evaluations of
18 economic impairment.
19

20 **Q. WHY ARE YOU FILING SUPPLEMENTAL DIRECT TESTIMONY?**
21

22 A. I have made a correction to the distance calculation in the most recent iteration of the
23 BACE (BellSouth Analysis of Competitive Entry) model. I have included Exhibit JWS-
24 6, the revised BellSouth Tennessee input scenario "BellSouth_TN_Refiled". The BACE
25 user can install this new BellSouth Tennessee input scenario in the current version of
26 BACE. (The scenario is distributed within a self-extracting zip file. Double clicking on

1 the executable (.exe) file will install the scenario into the default BACE directory). This
2 corrected scenario is the same as that used by Dr. Aron and filed with her rebuttal
3 testimony (revised Exhibit DJA-2)

4
5 **Q. PLEASE DESCRIBE THE CORRECTION MADE TO BACE.**

6
7 A. The mileage values between wire centers and the access tandem are corrected. In
8 calculating the originally filed mileage, a parenthesis was inadvertently omitted. With
9 the correction, the mileage derivation mirrors the NECA 4 Tariff methodology.

10
11 **Q. IN CONCLUSION, CAN YOU SUMMARIZE YOUR TESTIMONY?**

12
13 A. Yes. The BACE model provides the Authority with the appropriate tool and framework
14 for performing the granular analysis set forth in the FCC's *Triennial Review Order* and
15 should be utilized by the Authority.

16
17 530553

CERTIFICATE OF SERVICE

I hereby certify that on March 11, 2004, a copy of the foregoing document was served on the parties of record, via the method indicated:

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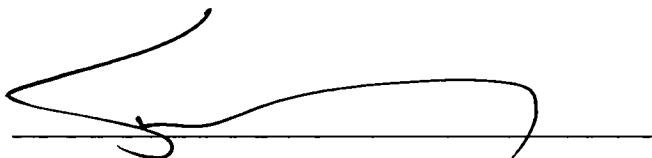
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A handwritten signature in black ink, appearing to be 'Ken Woods', is written over a horizontal line. The signature is stylized with a large, sweeping 'K' and a long, horizontal stroke.